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**Welcome to the March 2008 Issue!**

The **PharmSource PERISCOPE** provides valuable insight into sales issues and trends for companies that sell goods or services to bio/pharma. It helps you recognize new business opportunities, and overcome sales obstacles. Enjoy the March issue.

*The PharmSource Team*

**Pharma Sales: Lead Activity Report**

**PharmSource Lead Sheet: February Opportunities**

211 overall leads for pharma vendors were reported by the *PharmSource Lead Sheet* in February.

Lead Type	Feb-08	2008 Y-T-D
Non-US Leads	62	131
Early development candidates	46	95
Late development candidates	56	114
Large molecule candidates	40	69
Small molecule candidates	72	153
Newly-funded companies	45	97
New sourcing executives	26	43
Parenteral dosage form candidates	44	80
Oral candidates	40	86
<b>Total Leads*</b>	<b>211</b>	<b>415</b>

\* Total leads include product acquisitions/alliances, company acquisition/alliances and other sponsor events. Pipeline leads shown are categorized by development, API and dosage form.

**Lead Sampler**

Below are two actual leads from a recent issue of the *PharmSource Lead Sheet (PLS)*, the weekly, web-based information service that delivers new business opportunities and key market intelligence information to companies serving Bio/Pharma. It reports new information on products in development, acquisitions, alliances, financing transactions, and more, and delivers 40-70 fresh leads each week.

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Tel. 703-383-4903  
 Fax. 703-383-4905

www.pharmsource.com  
 info@pharmsource.com

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Use the *PLS* to stay on top of opportunities as soon as they're announced to keep attuned to market activity and trends, and as a key resource for targeted marketing.

FOR WEEK OF:  
**02-24-2008**

- Products in Development ●
- Product Acquisitions ●
- Corporate Finance ●
- Other Sponsor Events ●
- Key Appointments ●

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### Products in Development

Phase II	
<b>Company:</b>	<a href="#">Algeta ASA</a>
<b>HQ Location:</b>	Oslo, Norway
<b>Product:</b>	Alpharadin
<b>Dosage Form:</b>	Parenteral - Liquid
<b>Nature of API:</b>	Radioactive/radiolabeled product
<b>Therapeutic Area:</b>	Oncology
<b>Comment:</b>	Algeta plans to initiate Phase III trials of Alpharadin in H1 of 2008. Previously Algeta reported positive results from a Phase II trial of Alpharadin for the treatment of bone metastases in prostate cancer patients. Alpharadin is a bone-seeking radiopharmaceutical based on the alpha particle emitter radium-223. Algeta has two other ongoing Phase II trials in therapeutic dose finding and pain palliation.
<b>Research Contact:</b>	<a href="#">Roy H. Larsen, PhD</a>
<b>Clinical Research Contact:</b>	<a href="#">Kari W. Borch, MSc</a>
<b>Manufacturing and packaging contact:</b>	<a href="#">Ragnhild M. Løberg</a>
<a href="#">Print Lead</a> <a href="#">Email Lead</a>	

### Corporate Finance, Alliances, and Acquisitions

Corporate Finance	
<b>Company:</b>	<a href="#">Oxford BioMedica plc</a>
<b>HQ Location:</b>	Multiple
<b>Financing Type:</b>	Milestone payment
<b>Amount Raised:</b>	\$14.90 million
<b>Description:</b>	Oxford BioMedica receives a \$14.9 million milestone payment from sanofi-aventis due to continuation of a Phase III study of TroVax in renal cancer.
<b>Strategy:</b>	Oxford BioMedica develops gene-based products for a range of conditions with an emphasis on new cancer products and neurotherapy products.
<b>Research contact:</b>	<a href="#">Stuart Naylor</a>
<b>Research Contact:</b>	<a href="#">Kyriacos Mitrophanous</a>
<a href="#">Print Lead</a> <a href="#">Email Lead</a>	

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Sales Article

## Sustaining Lead Generation and Lead Nurturing Efforts

By Mike Schultz

When it comes to lead generation, there are three common truths:

1. In order to avoid the revenue roller coaster that plagues many professional services businesses, you need to generate a steady stream of leads.
2. For most professional services, prospective clients do not make "impulse" buys. Buying has to make it to the top of their to-do lists for any of your sales to happen.
3. As much as you (the seller) might like to shorten the sales cycle, buying complex, important, trust-based services takes time. The initial lead will only happen if the buyer thinks of you when a need floats to the top of the to-do list (the "elusive time of need").

Unfortunately for service providers, it's nearly impossible to predict when this elusive time of need is going to arise for the buyers.

In the research report, *Evaluating the Cost of Sales Calls in Business to Business Markets*,<sup>†</sup> the authors found that it takes an average of 5.12 sales calls to close sales that exceed \$35,000.<sup>‡</sup> Since 1989, this process has lengthened by at least 20%. More than 75% of the 23,000-plus companies surveyed stated that a combination of direct and indirect marketing and sales efforts were necessary to get to the sale.

To most leaders of professional services firms, this will make immediate sense. Sales cycles are longer. The competition works hard to blanket the best prospects with their messages. Services are becoming viewed as commodities, and it takes longer to convince buyers of value. And lower-priced competitors make price competition more of a factor than ever before, which complicates prospects' buying cycles.

### Why This Rule Is So Hard to Follow, and Why It Matters

Professional services businesses fall down most in implementing and sustaining consistent lead generation efforts. The reasons for this tend to be internally-driven:

- "Autonomous collective" decision making at professional services firms (i.e. everyone has to agree) makes decision-making and action either go slowly, or stop completely.
- Firms dig up the lead generation tree by the roots after two weeks, to see if it's growing yet. (This is not a good way to grow a tree.)
- Firms don't put enough energy and resources into the process, and when they don't get the outcomes they (unreasonably) expect, they pull the plug on their lead generation efforts too soon.
- Firms execute lead generation campaigns poorly. Then, when the efforts don't work, the company leaders pronounce, "We tried that, it didn't work. It doesn't work." To us, this is like saying, "I tried to bake a cake, and it didn't rise," and pronouncing that cakes don't rise. Cakes do rise. You just need to bake them the right way.

<sup>†</sup> Cahners Research, *Evaluating the Cost of Sales Calls in Business to Business Markets*, 2001. 23,341 businesses surveyed.

<sup>‡</sup> For professional services, the appropriate context is to think about the annual value of a client (rather than the "first sale"), which often includes multiple, ongoing sales.

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- Firms assign billable resources to marketing and business development roles. The people assigned either don't do them, don't do them well, do them well and then have to stop to tend to billable work, or get fired because they stop doing any billable work at all.

Despite all these reasons, the truth is that lead generation efforts must be sustained to make them 1) work, and 2) improve over time.

Let's assume that you begin lead generation activities, and you take the following actions:

- You offer value to your prospects, directly in your marketing and selling.
- You create and leverage offers and experiences.
- You use a targeted, integrated, and direct marketing and business development approach.

If you continue these actions for 2 months, you might get some short-term leads. But if you do it over the long-term (and this is important), you'll get not only short-term leads, but also long-term leads and the brand effect you deserve.

Consider the following example of a sustained one-to-one lead generation plan:

- Week 1:** Phone call and follow-up white paper
- Week 4:** Custom email with new research finding
- Week 8:** Targeted direct mail campaign
- Week 11:** Email with article on client's business or competitor
- Week 15:** Phone call with invitation to seminar or speech
- Week 19:** Email with offer to do something for them at no cost
- Week 22:** Targeted direct mail campaign highlighting recent client results you've achieved
- Week 26:** Outbound phone call; prospect says, "Perfect timing. Was meaning to call you, let's talk..."

Not only can you use this process to create short-term leads, but you can also create affinity for your company, building your prospect's basis for trusting you through your offers and your value. With sustained messages like this, your prospects will want to work with you. What's most important is that when their "elusive time of need" becomes now, they'll remember you.

### **Sustained Lead Generation Keeps You Top-of-Mind**

Ask yourself the following two questions:

1. Think about 100 prospects for your services... not people you're currently speaking to, just people who are at the right organizations, at the right levels, that would buy from you. How many of them will proactively seek out services like yours **this month**?
2. **Over the next two years**, how many of these 100 prospects are likely to have the need for your services and proactively seek out providers in your area, even if they do it quietly, or through their network?

The answer to both questions vary by service specialty, but usually the answer to Question #1 ("this month") is somewhere around "a few" to "a handful".

In contrast, the answer to Question #2 ("over the next two years") is usually something like "20%...45%...80%".

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How do you take these 100 prospects into a longer-term lead generation? At its simplest:

- Get these prospects on a clean targeted list.
- Send them direct mail and email value-based offers regularly.
- Pleasantly, but rigorously, maintain value-based telephone contact with them.

Take these steps, and you are much more likely to be remembered by the buyer at their elusive time of need. You're more likely to be one of the handful of service providers they bring in, and you may even be the one they are "itching to work with", because they've been reading your work and paying attention to your communications. And why wouldn't they feel this way, assuming the communications you sent them have been value-based?

**About the Author**

Mike Schultz is the Publisher of [RainToday.com](http://RainToday.com) and an advisor to service businesses worldwide. He can be reached at [mshultz@raintoday.com](mailto:mshultz@raintoday.com). You can read his Services Insider Blog at: [www.whillsgroup.com/blog.cfm](http://www.whillsgroup.com/blog.cfm).

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**Prospect Profile - IPO Spotlight**

**Bayhill Therapeutics**

**Bayhill Therapeutics** is a biopharmaceutical company that develops therapeutics to treat autoimmune disorders. Bayhill focuses on products that will “restore” the immune system to its normal state, thereby causing less harmful side effects. R&D expenditures in 2007 were over \$11.8 million.

**Corporate Highlights**

- 2000: Founded as SunVax, Inc. in Delaware, name was changed to Tolerion, Inc.
- 2002: Name changed to Bayhill Therapeutics.
- 39 total employees (R&D: 32, Administration: 7).
- Facilities include: Corporate Headquarters, Palo Alto, CA: 26,000 sq. ft.

**Manufacturing Status**

- Bayhill Therapeutics lacks internal manufacturing capabilities, and depends on third party manufacturing for the commercial production of drug candidates, compounds, and preclinical and clinical trials.

**IPO Filing**

- Registration statement filed with the SEC for an initial public offering (IPO) of its common stock (as reported in the January 20th, 2008 issue of the *PharmSource Lead Sheet*).
- As of March 2008, the number of common shares offered and the price range for the offering had yet to be determined. The proposed maximum offering price is \$86.25 million.

**Use of proceeds**

- Fund the clinical development of BHT-3009 and BHT-302.
- Working capital, capital expenditures, other general corporate purposes, and research and development expenses.

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### Sourcing Opportunities

- Contract/clinical research organizations for drug trials and drug discovery.
- Manufacturers for preclinical and clinical product candidates.
- Third party suppliers of clinical trial materials for product candidates.
- Commercial manufacturing capabilities.

### Pipeline

Product Candidate	Indication	Dosage Form	Status	Next Anticipated Step
BHT-3009	Multiple Sclerosis	—	Phase II	Initiate Phase III trial in Q4 of 2008
BHT-3021	Type 1 Diabetes	—	Phase I/II trial	Results expected in H1 of 2009
BHT-3034	Myasthenia gravis	—	Preclinical studies	—

### Finances

(In thousands)	2005	2006	As of 9/30/2007
Revenues	—	—	—
R&D Expenses	11,212	20,036	11,880
General & Administrative Expenses	1,834	1,761	1,872
Total Operating Expenses	21,797	13,046	13,752
Capital Expenditures	533	528	433

### Contact Info

#### Bayhill Therapeutics

3400 West Bayshore Road

Palo Alto, CA 94303

Tel.: (650) 320-2800

[www.bayhilltherapeutics.com](http://www.bayhilltherapeutics.com)

#### Key Officers

Mark W. Schwartz, PhD, President, CEO

Fred Kurland , CFO

Frank H. Valone, MD , VP, Medical Affairs

Hideki Garren, MD, PhD , VP, Research

Robert S. King, PhD, VP, Manufacturing

Patricia A. Murphy , VP, Regulatory Affairs

Paul B. Westberg , VP, Business Development

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**PERISCOPE Sales Tips: 2007 Favorites**

**1. Trade Show Giveaways vs. Throwaways - Maximizing Your Trade Show Promotions**

*By R. J. Williams*

Nothing beats promotional products for getting a targeted message to a designated recipient on a repetitive basis. The key part of this statement is "on a repetitive basis." This fundamental benefit of promotional items is ... [to read more: www.pharmsource.com/page.cfm?name=peri0907sales](http://www.pharmsource.com/page.cfm?name=peri0907sales)

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**2. You Get What You Pay For: Financially Motivating Sales Professionals**

*by Christopher J. Perrino and Michelle Class*

You've made the decision to hire a sales professional. Now, what is the optimal mix of salary, bonus, and commission that will keep our sales professional motivated? Most firms should expect to pay a top candidate an amount ... [to read more: www.pharmsource.com/page.cfm?name=peri0707sales](http://www.pharmsource.com/page.cfm?name=peri0707sales)

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**3. How to Interview Sales Candidates - Executive Leaders, Managers, and Individual Contributors**

*by Ron Bates*

Good CEOs constantly seek to understand their external environment, whether assessing the competition, or keeping on top of trends affecting the industry. Whether your prospects are CEOs or professionals who are deeper in the organization, your best bet for ... [to read more: www.pharmsource.com/page.cfm?name=peri0307sales](http://www.pharmsource.com/page.cfm?name=peri0307sales)

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**4. Managing Leads Effectively: What's Your Score?**

Let's assume you're wisely tapping into a resource that regularly provides you with targeted leads, like the *PharmSource Lead Sheet*. That's the critical first step, but how are you addressing the second stage of the sales process: conducting lead follow-up? One of the keys to successful lead follow-up is to recognize ... [to read more: www.pharmsource.com/images/pharmsource/PDFs/PharmSource%20Quiz%20-%20Managing%20Leads%20Effectively.pdf](http://www.pharmsource.com/images/pharmsource/PDFs/PharmSource%20Quiz%20-%20Managing%20Leads%20Effectively.pdf)

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**5. Sales Management Mastery: How to Turn Your Sales Effort into a Rocket Ship of Results**

*By Chet Holmes*

Business leaders don't always know how to structure their sales organizations or even themselves for maximum productivity, or how to change, adapt and re-organize for new stages of growth. Whether you are a one-person army or a large-scale sales force, you can learn and leverage my golden secrets to super sales mastery. Here's how... [to read more: www.pharmsource.com/page.cfm?name=peri0507sales](http://www.pharmsource.com/page.cfm?name=peri0507sales)

**This article appeared in May 2007 issue [www.pharmsource.com/page.cfm?name=periscope0507](http://www.pharmsource.com/page.cfm?name=periscope0507)**

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### PharmSource Lead Sheet Special Offer

The *PharmSource Lead Sheet (PLS)* is the weekly web-based information service that identifies fresh business opportunities for companies serving pharma and biotech. Respected, endorsed and depended on by the top companies, the *PLS* informs you of new business opportunities. It lowers your prospecting costs, raises the productivity of your sales staff, and helps keep your lead funnel full.

If you're not yet a subscriber to the *PharmSource Lead Sheet*, we invite you to take a **complimentary test-drive** to see for yourself how this service can be a vital tool for growing your market share.

**\* Subscribe by March 31, 2008 and  
Get a 10% discount!**

Here are just a few things the *PharmSource Lead Sheet* can do for you:

- **Save money:** The *PLS* costs less than exhibiting at a single trade show, and far less than an internal prospecting staff.
- **On-going source of fresh leads and current market information:** The *PLS* alerts your sales staff of fresh leads every week, and keeps you on top of pipeline product activity and Bio/Pharma financings.
- **Excellent resource for targeted mailing/contact lists:** The *Full Database Search* feature can be used to create targeted lists of pharma companies for marketing campaigns or to contact for site visits.

\* This offer is for new subscribers only at the Corporate- or Premier-level.

To schedule your **free test-drive**, call Judy Miller at 703-383-4903, ext. 103 (ET).

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